

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:) Chapter 11
W.R. GRACE & CO., *et al.*,) Case No. 01-1139 (JKF)
Debtors.) Jointly Administered
) **Re: Docket No.: 20204 and 20339**
) **1/14/09 Agenda Item No. 2**

**CERTIFICATE OF COUNSEL RE SECOND AMENDED CASE MANAGEMENT
ORDER RELATED TO THE FIRST AMENDED JOINT PLAN OF REORGANIZATION**

1. On December 5, 2008, the Court entered the Initial Case Management Order Related to the First Amended Joint Plan of Reorganization (Docket No. 20204) (the “Initial CMO”) which addressed the deadlines and hearings with respect to confirmation of the First Amended Joint Plan of Reorganization, as amended (the “Plan”), jointly submitted by the Debtors together with the Official Committee of Asbestos Personal Injury Claimants, the Official Committee of Equity Security Holders, and the Asbestos PI Future Claimants’ Representative (collectively the “Plan Proponents”).

2. Certain of the Debtors' Insurers filed objections to the Initial CMO (Docket No. 20188) and the Court heard arguments of counsel with respect to the Initial CMO at the December 15, 2008 Omnibus Hearing and at a further telephonic hearing on December 17, 2008.

3. As a result of those objections and the arguments of counsel at the hearings, a First Amended CMO was prepared and submitted on a Certificate of Counsel on December 23, 2008 (Docket No. 20339). To date, the Court has not entered the First Amended CMO.

4. Recently, the Plan Proponents learned from the Asbestos PD Committee, PD FCR and counsel for the ZAI Claimants, that such parties need additional time to review,

digest and comment upon all of the documents that have been drafted to address the outstanding PD/ZAI issues with respect to the Disclosure Statement, Plan , PD CMO and ZAI Settlement. Thus, the Plan Proponents will not be in a position to finalize the Disclosure Statement, Plan and Exhibits in time to request approval of the Disclosure Statement on January 14 and thereafter solicit Plan votes in time for the scheduled Phase I Confirmation hearing in April.

5. As a result, the Plan Proponents have further revised the CMO to push back the Phase I hearing until the June dates originally set for Phase II and the Phase II Hearing for dates in early September.

6. On Friday, January 9, 2009, the Debtors circulated to all interested parties, a Second Amended CMO which pushes back most dates to correspond with the push back of the Confirmation hearing dates. Thereafter, the parties had a meet and confer on Monday, January 12, 2009 with respect to the revised CMO. And, as a result of the meet and confer, the Debtors made certain adjustments to the CMO.

7. The Second Amended CMO attached hereto as Exhibit A reflects various changes requested by various parties. However, certain parties have indicated they still have issues with respect to the attached CMO which they wish to raise with the Court at the hearing on January 14, 2009.

8. The Debtors will request entry of the attached Second Amended CMO at the hearing on January 14, 2009.

Dated: January 13, 2009

KIRKLAND & ELLIS LLP

David M. Bernick, P.C.

Janet S. Baer

200 East Randolph Drive

Chicago, Illinois 60601

(312) 861-2000

and

PACHULSKI STANG ZIEHL & JONES LLP

Janet E. O'Neill

Laura Davis Jones (Bar No. 2436)
James E. O'Neill (Bar No. 4042)
Timothy P. Cairns (Bar No. 4228)
919 North Market Street, 17th Floor
P.O. Box 8705
Wilmington, Delaware 19899-8705
(Courier 19801)
Telephone: (302) 652-4100
Facsimile: (302) 652-4400